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Directorate of Intelligence

Background Briefing for the DCI
25 January 1984

TUNISIA: Implications of Bread Riots

Widespread bread riots during the first week in January were the worst civil disturbances since the moderate, pro-Western Arab state gained independence in 1956. Sparked by increases in bread prices, the protests reflect deep social strains, and unhappiness with a political establishment that many of the urban poor, the young, and the unemployed find insensitive to their needs. The disorders have:

- Severely shaken the government.
- Dislocated economic plans.
- Weakened Prime Minister Mzali's chances to succeed 80-year old President Bourguiba. []

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Outbreak of the Riots and Government Response

The protests began spontaneously when the government removed subsidies on cereal products before carrying out promises to supplement incomes of the poor to protect them from the doubled price of bread. They resulted in more than 70 dead and 100 injured and several thousand arrests. Calm was finally restored only when President Bourguiba reversed his decision to abolish the subsidies.

- The ruling Destourian Socialist Party was ill-prepared for the disorders. Local leaders failed to anticipate the intensity of the reaction to the price hikes, and could not

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[REDACTED]

mobilize party members to help calm the situation.

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[REDACTED]

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[REDACTED] The Army, however, performed well. [REDACTED]

Social Strains

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The Tunisians who rioted are deeply alienated from the upper and middle class political establishment. Economic growth has benefited mostly the northern urban areas, to the detriment of the southern and western regions where the rioting began.

-- Rural unemployed have migrated to the cities in the north, where social services are unable to meet their needs.

-- Radical Muslims are particularly well placed to exploit the discontent. Bourguiba's secular policies and the increasing Westernization of the middle and upper classes have given Islamic fundamentalism power and credibility among the dispossessed.

-- Members of the underground Islamic Tendency Movement-- whose leaders were imprisoned several years ago--claim credit for some of the disturbances. Security officials confirm the involvement of fundamentalists, who are the only important organized opposition group working to undermine the government. [REDACTED]

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Political Pepercussions

The protests have been politically costly to Mzali, who was

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charged with carrying out the decision to remove the subsidies. His statements during the disturbances that the government would proceed with its program probably reaffirmed popular misconceptions that he--rather than Bourguiba--had planned the price hikes. He also is blamed for ordering the sometimes heavyhanded suppression of the riots by Army and security forces.

-- Bourguiba's abrupt suspension of the price increases undercut Mzali's own efforts to make amends with the poor. Protesters throughout the country called for the dismissal of Mzali, who finally admitted publicly that he miscalculated the degree of opposition to the increases. -- Mzali has shifted part of the blame to former Interior Minister Guiga, one of his chief rivals.

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Economic Dilemma

This year the government anticipates increased expenditures of about \$200 million--an amount it cannot afford--if subsidies are left in place. Poor agricultural harvests in the last two years have increased the outlay for food imports. The country also has been hurt by the effects of global recession on its key foreign exchange earners--petroleum, phosphates, and tourism.

-- In drafting the new budget, the government will have to reduce some subsidies gradually and postpone development

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projects. These measures in turn will make the inflation worse and lead to higher deficits.

-- Mzali has considerable managerial and political talent to draw upon in designing his new economic program. He also has the tentative support of organized labor, one of the most powerful political forces in the country. [REDACTED]

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On the other hand, Mzali's new budget will hurt the middle class, his traditional political base of support. Moreover, it could endanger the fragile wage agreements between the government and organized labor. [REDACTED]

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Prospects

The ailing President Bourguiba is nearing the end of his rule. His demise without a strong heir apparent--in the worst case--could encourage bitter political infighting, paralyze policymaking, and prevent the government from adequately addressing social problems. This in turn could prompt increasing agitation by radical Muslims and eventual intervention by the armed forces.

-- Mzali faces an uphill fight in repairing his position. He will have to restore Bourguiba's confidence in him, persuade his middle-class constituency of the need for sacrifice, and win acceptance among the poor.

-- Tunisian officials may be using Libya as a scapegoat to rally national popular support behind the government and attract US aid. Despite Tunisian claims, it remains unclear whether Libya was behind the recent sabotage of an oil pipeline on the Tunisian-Algerian border. [REDACTED]

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Libya apparently was not involved in the disturbances but is likely to be encouraged by them to give more help to Tunisian dissidents. It probably will do so discreetly, however, to avoid provoking a strong response from the US or jeopardizing its efforts to improve relations with other Maghreb states.

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